

61.565 Employer's contributions.

- (1) Each employer participating in the State Police Retirement System as provided for in KRS 16.510 to 16.652, each employer participating in the County Employees Retirement System as provided for in KRS 78.520 to 78.852, and each employer participating in the Kentucky Employees Retirement System as provided for in KRS 61.515 to 61.705 shall contribute annually to the respective retirement system an amount equal to the percent, as computed under subsection (2) of this section, of the creditable compensation of its employees to be known as the "normal contributions," and an additional amount to be known as the "past service contribution" which shall be computed by amortizing the total unfunded past service liability over a period of thirty (30) years using the level-percentage-of-payroll method. This method shall be used beginning with the 1990 actuarial valuation. The initial thirty (30) year amortization period shall begin with the 1990 valuation. Any significant increase in past service liability due to benefit improvements after the 1990 valuation shall be amortized using the level-percentage-of-payroll amortization method over a separate thirty (30) year period commencing in the year of the actuarial valuation in which the benefit improvements are first reflected.
- (2) The normal contribution rate shall be determined by the entry age normal cost funding method. The past service liability shall be determined by actuarial method consistent with the methods prescribed for determining the normal contribution rate. Normal contributions and the past service liability contribution shall be determined on actuarial bases adopted by the board.
- (3) Normal contribution and the past service contribution rates shall be determined by the board on the basis of the annual actuarial valuation last preceding the July 1 of a new biennium. The board may amend contribution rates as of July 1 of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy the requirements of subsections (1) and (2) of this section.
- (4) The system shall advise each employer prior to the beginning of each biennium, or prior to July 1 of the second year of a biennium, of any change in the employer contribution rate. Based on the employer contribution rate, each employer shall include in the budget sufficient funds to pay the employer contributions as determined by the board under subsections (1) to (3) of this section.

Effective: July 14, 1992

History: Amended 1992 Ky. Acts ch. 240, sec. 24, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 489, sec. 2, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 176, sec. 4, effective July 15, 1986. -- Amended 1980 Ky. Acts ch. 186, sec. 25, effective July 15, 1980; and ch. 246, sec. 4, effective July 15, 1980. -- Amended 1976 Ky. Acts ch. 321, sec. 40. -- Amended 1974 Ky. Acts ch. 128, sec. 17. -- Amended 1972 Ky. Acts ch. 116, sec. 34. -- Amended 1962 Ky. Acts ch. 58, sec. 7. - Created 1956 Ky. Acts ch. 110, sec. 12.

Legislative Research Commission Note (10/19/2004). 2004 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 9, provides, "Notwithstanding KRS 61.565, the employer contribution rate

for an entity participating in the Kentucky Employees Retirement System or State Police Retirement System shall be as follows:

- (1) From July 1, 2004, through June 30, 2005, the contribution rates shall be no more than 5.89 percent for nonhazardous duty employees, 18.84 percent for hazardous duty employees, and 21.58 percent for employees of the State Police Retirement System. This provision shall be retroactive to July 1, 2004; and
- (2) From July 1, 2005, through June 30, 2006, the employer contribution rate shall be no more than 5.89 percent for nonhazardous duty employees, 18.84 percent for hazardous duty employees, and 21.58 percent for employees of the State Police Retirement System."

2006-2008 Budget Reference. See State/Executive Branch Budget, 2006 Ky. Acts ch. 252, Pt. IV, 8., at 1403; and State/Executive Branch Budget Memorandum, 2006 Ky. Acts ch. 257, at 1621 (Final Budget Memorandum, at 74).

2002-2004 Budget Reference. See State/Executive Branch Budget, 2003 Ky. Acts ch. 549, pt. III, item 18, at 1842; and State/Executive Branch Budget Memorandum, 2003 Ky. Acts ch. 143, at 518 (Final Budget Memorandum, at 90).